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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

April 09, 2013

20 April 9, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF PUBLIC
SOCIAL SERVICES TO EXTEND FOR TWO CONSECUTIVE ONE-YEAR PERIODS THE TERM
OF THE LEADER INFORMATION TECHNOLOGY AGREEMENT WITH UNISYS CORPORATION
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

This is a joint recommendation by the Department of Public Social Services (DPSS) and the Chief Information Officer (CIO) that the Board approve our request to exercise the last two years of the County's Second Extended Option Term under the Los Angeles Eligibility, Automation Determination, Evaluation and Reporting (LEADER) System Agreement (County Agreement Number 68587). DPSS continues to require the maintenance and operation of the LEADER System until the LEADER Replacement System (LRS) is successfully implemented Countywide.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and direct the Director of DPSS to exercise the County's Second Extended Option Term under the LEADER System Agreement with Unisys Corporation as follows:
 - a. Extend the term of the Agreement for two consecutive one-year periods, for a total extension not to exceed two years, commencing on May 1, 2013; and
 - b. Increase the aggregate total Maximum Contract Sum for the Agreement by \$54,000,000, from \$401,176,732 to \$455,176,732.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Exercising Last Two Option Years

Exercising the County's option to extend the Agreement for the last two consecutive one-year periods of the Second Extended Option Term will maintain uninterrupted service to CalWORKs, Cash Assistance Program for Immigrants, CalFresh, Medi-Cal, and General Relief beneficiaries while DPSS implements LRS.

Implementation of Strategic Plan Goals

These recommendations are consistent with the principles of the Countywide Strategic Plan, Goal 1: Operational Effectiveness: Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

Exercising the last two years of the Second Extended Option Term increases the aggregate total Maximum Contract Sum for the Agreement by \$54,000,000, from \$401,176,732 to \$455,176,732. The total subvented portion of the \$54,000,000 is \$50,220,000 and the total net County cost (NCC) is \$3,780,000, with details for each of the three fiscal years provided below.

Costs for Fiscal Year (FY) 2012-13

The total estimated costs for exercising the last two option years of the Second Extended Option Term in FY 2012-13 are \$4,500,000 for May 2013 and June 2013. These costs will be subvented by State and federal revenue in the estimated amount of \$4,185,000. The NCC is estimated at \$315,000. Sufficient funding has been included in the Department's FY 2012-13 Adopted Budget.

Costs for FY 2013-14

The total estimated costs for exercising the last two option years of the Second Extended Option Term in FY 2013-14 are \$27,000,000. These costs will be subvented by State and federal revenue in the estimated amount of \$25,110,000. The NCC is estimated at \$1,890,000. Sufficient funding has been included in the Department's FY 2013-14 Initial Budget Request.

Costs for FY 2014-15

The total estimated costs for exercising the last two option years of the Second Extended Option Term in FY 2014-15 are \$22,500,000 for ten months (July 2014 through April 2015). These costs will be subvented by State and federal revenue in the estimated amount of \$20,925,000. The NCC is estimated at \$1,575,000. Sufficient funding will be included in the Department's FY 2014-15 Initial Budget Request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Board Letter was reviewed and approved by County Counsel. As with the existing LEADER System Agreement and its previous amendments and modification notices, outside counsel, Mitchell, Silberberg & Knupp LLP, also reviewed and commented on the Board Letter in accordance with the Board's policy regarding technology contracts.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

State and Federal Approval

The funding approval to exercise the last two option years of the LEADER Agreement has been received from the requisite State and federal agencies.

CONTRACTING PROCESS

Unisys was selected via a competitive solicitation. On September 12, 1995, the Board awarded a seven years and six months contract (with the option for two additional years) to Unisys to provide an automated welfare system. Amendment Number Three and Amendment Number Four, approved by the Board, extended the seven years and six months contract term by two years to April 30, 2005, making the Initial Term of the LEADER Agreement nine years and six months. On March 15, 2005, the Board approved Amendment Number Ten to extend the contract term for the optional two years, from May 1, 2005 through April 30, 2007. Amendment Number Twelve, approved by the Board on January 30, 2007, extended the LEADER Agreement for four years through April 20, 2011, with four optional one-year extensions that could extend the LEADER Agreement through April 30, 2015. On March 15, 2011, the Board approved the County's option to exercise the first two years of County's Second Extended Option Term, from May 1, 2011 to April 30, 2013, under the LEADER Agreement. If the requested option years are approved by the Board, there will be no remaining option years, and the Agreement will expire on April 30, 2015, unless further extended by the County and Unisys in the future.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Exercising the County's option to extend the Agreement for two consecutive one-year periods will provide continued maintenance and operation of the LEADER System, and uninterrupted service to the beneficiaries of public assistance programs administered by DPSS during this two-year period.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the Director of DPSS.

The Honorable Board of Supervisors

4/9/2013

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Respectfully submitted,

Handwritten signature of Sheryl L. Spiller in cursive script.

SHERYL L. SPILLER

Director

Handwritten signature of Richard Sanchez in cursive script.

RICHARD SANCHEZ

Chief Information Officer

SLS:RS:ph

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors